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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003913

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TAGS: [ENRG](#) [EINV](#) [ECON](#) [PREL](#) [IZ](#)
SUBJECT: GOI RELEASES FUEL IMPORT REGULATIONS

Classified By: Economic Minister Counselor Daniel Weygandt for reasons
1.4 (b) and (d).

[¶1.](#) (U) This message is an action request. Please see
paragraph 3.

[¶2.](#) (C) The Ministry of Oil published regulations for the
Fuel Import Liberalization Law (FILL) in Iraqi newspapers on
October 12. The regulations, translated below, are unclear,
self-contradictory, and unlikely to attract major investors.
Post contacts have reported that Minister of Oil al
Shahristani side-stepped Ministry employees who could have
written better regulations. In meetings with emboffs, the
Minister of Oil has said that the GOI has issued all of the
required regulations for bidders, but that no company has
applied. Deputy Prime Minister Barham Salih has suggested
holding a conference at the end of November for companies
interested in learning about investment opportunities in fuel
imports.

[¶3.](#) (C) Post requests Department's assistance in finding
models of other countries' fuel import regulations that may
be applicable to the situation in Iraq.

[¶4.](#) (U) Translated text of published MinOil FILL regulations
as follows:

Begin Text:

"Ministry of Oil

Instructions for the Implementation of the Petroleum
Derivatives Import Law

In order to facilitate the implementation of the Petroleum
Derivatives Import Law, the Ministry of Oil has issued the
instructions and the conditions concerning this Law:

- [¶1.](#) The importing company should be registered in Iraq with
the Ministry of Trade and should abide by the laws and the
instructions that are in effect in Iraq.
- [¶2.](#) The importing company should own or have a contract with
the appropriate outlets for sale or storage with the
specification acceptable to the Ministry of Oil.
- [¶3.](#) The importing company shall tender deposit amounts as set
by a specialized committee for the purpose of its fulfilling
the contract clauses.
- [¶4.](#) The quantities that the company is entitled to import
shall be determined based on instructions set forth by the
Technical Department at the Ministry and according to the
Company's sale and storage outlets.
- [¶5.](#) The technical specifications of the imported petroleum
substances and products shall be indicated by the Technical
Department.
- [¶6.](#) Petroleum products that do not conform to the required
specifications shall not be allowed entry at any border entry
point.
- [¶7.](#) All imported petroleum products shall conform to the
standardization and quality control requirements that are

currently in effect or that shall be issued in the future.

¶18. All imported company shall undertake, within one year after the start of its contract, to provide or contract technically appropriate storage sites with a capacity of no less than the monthly importing average of the company.

¶19. Commercial sale stations and outlets are not allowed to sell official petroleum products or those produced or imported for the Ministry of Oil or its companies, and violating companies will face the law.

¶10. Government of the Ministry of Oil inspection committee shall have the right to test the products at the sale sites and outlets as well as monitoring performance, and also the right to carry out an official investigation according to the law and official controls.

¶11. Products' sale prices should be displayed at the outlets clearly for all to see.

¶12. The importing company shall have the right to set the sale prices of its imported products.

¶13. The commercial petroleum products transport fleet should have a distinct color or look that distinguishes it from the government petroleum products transport fleet.

¶14. The sales stations and outlets should have a distinct color that clearly distinguishes them from other sales stations (based on the technical department's decision) and should display clear signs and marks indicating they are commercial sales stations.

¶15. Each commercial sale station or outlet should have a special register stating the daily situation as well as the specifications, quantities and types of the materials present or any notes as may be required by the Ministry of Oil instructions.

¶16. The Ministry of Oil through its companies may sell services to the importing companies, such as maintenance or specialized materials, if the company wishes.

BAGHDAD 00003913 002.2 OF 002

¶17. The importing company shall have the right to sell its products through authorized and officially registered agents at state departments and shall be subject to the obligations and controls on an importing company.

¶18. The importing company shall abide by all laws applicable to operating companies.

¶19. The importing company shall undertake to observe all the current or future applicable occupational safety laws.

¶20. The importing company shall undertake to protect and preserve environment according to the instruction and guidelines followed by government departments."

End text.

SPECKHARD